

CHAIRMAN OF THE BOARDS

**Mutual
OF OMAHA**

D. D. ULFERS, PRESIDENT



**United
OF OMAHA**

GALE E. DAVIS, PRESIDENT



HOME OFFICE... OMAHA, NEBRASKA

F. J. CARBO, Assoc. Mgr.
E. A. MOYLE, C.I.U., Asst. Mgr.
F. P. HOFFMAN, Policy Service

JOSEPH E. JONES, General Agent
1666 CONNECTICUT AVE.
WASHINGTON, D. C. 20009
483-3100

M. L. EVERETT, Office Mgr.
R. A. WATSON, Coordinator
T. W. PREMO, Benefits Mgr.

February 21, 1968

STAT

Government Employees Health Association
P. O. Box 463
Washington, D. C.

Re: Your February 16, 1968 letter
in which you requested the
rates of hospitals in the
different metropolitan areas.
Please find attached.

Dear Leonard:

This is similar to the information I sent you on June 14, 1967.

Sincerely,

T. W. Premo, Manager
Claims Department

TWP:pg

Enclosures

STAT

MUTUAL OF OMAHA INSURANCE COMPANY • UNITED BENEFIT LIFE INSURANCE COMPANY

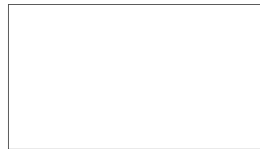
Page Denied

Next 2 Page(s) In Document Denied

26 FEB 1968

NOTE TO : DC/BSD

I would like to submit this proposal to the Board within the next few weeks. Please draft a paper that would have a short summary of what this program is and what it is intended to do. Include on the paper the rates. After review, we will have enough cut for circulation to each Board member.



STAT



A PROPOSED GROUP INSURANCE PROGRAM

prepared for:

GOVERNMENT EMPLOYEES
HEALTH ASSOCIATION

by: UNITED BENEFIT LIFE INSURANCE COMPANY

HOME OFFICE — OMAHA, NEBRASKA

United Benefit Life Insurance Company ranks among the top 3% of all life insurance companies.

The reason for this successful growth is service. To provide this service, United has a network of strategically located group offices staffed with trained and experienced group representatives. In addition, United Benefit Life Insurance Company offers its policyholders the services of expert underwriting, administrative and actuarial personnel necessary to the proper functioning of sound Group Insurance and Pension Programs. Long noted for prompt claim payments, United has pioneered the field of claim research service to help stabilize the policyholder's premium dollar through study and analysis of claims and medical cost trends.

The strength and stability of this Company is reflected in the annual statement for the year ending December 31, 1966.

ASSETS

| | 1966 |
|--|-----------------------------|
| Cash | \$ 1,556,919 |
| Bonds | 227,749,200 |
| Stocks | 66,962,851 |
| Real Estate | 16,067,409 |
| Mortgage Loans | 183,804,160 |
| Policy Loans | 35,214,912 |
| Premiums in Course of Collection | 15,386,068 |
| Other Assets | 6,116,673 |
| TOTAL | <u>\$552,858,192</u> |

LIABILITIES

| | |
|--|-----------------------------|
| Reserves for Claims | \$ 5,233,607 |
| Policy Reserves | 450,082,039 |
| Reserves for Taxes | 3,556,571 |
| Reserves for Security Valuation | 14,764,782 |
| Other Liabilities | 4,574,464 |
| TOTAL LIABILITIES | <u>\$478,211,463</u> |
| Surplus to Protect Policyholders | 74,646,729 |
| TOTAL | <u>\$552,858,192</u> |

SECURITY IS OUR BUSINESS

GOVERNMENT EMPLOYEES

HEALTH ASSOCIATION

Group Hospital Indemnity Plan

BENEFITS

In-Hospital

The plan provides a daily benefit of \$20 for up to 365 days of hospital confinement for each accident or sickness.

| | Plan I | Plan II |
|--------------|--------|---------|
| Maximum Days | 30 | 365 |

Confinements separated by less than three months for the same or related conditions will be considered as continuations of the same confinement.

ELIGIBILITY PROVISIONS

All paid-up members of G.E.H.A. under age 60 are eligible to enroll in the group plan upon submitting satisfactory evidence of insurability.

The plan will become effective on the first of the month after 400 members have applied for coverage and have submitted satisfactory evidence of insurability.

TERMINATIONS

The coverage will terminate on the date the insured attains age 65 or the date he becomes eligible for Medicare, whichever is the earlier.

The coverage will not extend beyond the date to which the member's dues are paid.

The coverage will terminate on the date the master policy terminates.

EXCLUSIONS AND LIMITATIONS

The plan does not cover losses resulting from: (1) declared or undeclared war or act of war; (2) service in the armed forces of any country; (3) acts of intentional self-destruction or attempted suicide while sane or insane; (4) pregnancy (including childbirth or resulting complications); (5) confinement in any institution primarily operated as a home for the aged or engaged in the care of drug addicts or alcoholics; (6) confinement in any institution operated by the U.S. Government, a state, country, or municipal government, unless a charge is made by such a hospital which the member is legally required to pay.

ADMINISTRATION

The policyholder will handle all administrative procedures including initial underwriting, premium collection, and pay all claims.

SEMI-ANNUAL PREMIUMS

| Member | Plan I | Plan II |
|---------------|---------|---------|
| Under Age 40 | \$ 8.00 | \$ 9.00 |
| 40 through 49 | 12.00 | 13.00 |
| 50 through 64 | 18.50 | 21.00 |

Plan I

NAME G.E.H.A. HOSPITAL INDEMNITYRETENTION EXHIBIT

| | | | | | | |
|--------|--------------------|------------------|----------|-------|----------------------------|--------------|
| Health | Net Annual Premium | Incurred Claims | EE Lives | 1,000 | Administration: | Commissions: |
| Total | <u>\$156,500</u> | <u>\$109,550</u> | | | IBM Cards | 10 Yr. Level |
| | <u>\$156,500</u> | <u>\$109,550</u> | | | Initial Certs | |
| | | | | | Renewal Certs | |
| | | | | | Benefits | |
| | | | | | <u>Self-Administration</u> | |
| | | | | | <u>Self-Administration</u> | |
| | | | | | <u>Self-Administration</u> | |
| | | | | | <u>Self-Administration</u> | |

| Year | Net Annual Premium | Incurred Claims | Retention | Refund | Agent Commission | Taxes | Administrative Expense | Amortization of Acquisition | Risk Charge |
|-------------|--------------------|-----------------|----------------|-----------------|------------------|---------|------------------------|-----------------------------|-------------|
| 1 | \$156,500 | \$109,550 | \$12,733 8.14% | \$34,217 21.86% | \$2,169 | \$2,445 | \$4,403 | \$1,368 | \$2,348 |
| 2 | 156,500 | 109,550 | 12,729 8.13 | 34,221 21.87 | 2,169 | 2,445 | 4,403 | 1,364 | 2,348 |
| 3 | 156,500 | 109,550 | 11,930 7.62 | 35,020 22.38 | 2,169 | 2,429 | 4,403 | 1,364 | 1,565 |
| 4 | 156,500 | 109,550 | 11,930 7.62 | 35,020 22.38 | 2,169 | 2,429 | 4,403 | 1,364 | 1,565 |
| 5 | 156,500 | 109,550 | 11,930 7.62 | 35,020 22.38 | 2,169 | 2,429 | 4,403 | 1,364 | 1,565 |
| 6 | 156,500 | 109,550 | 10,538 6.73 | 36,412 23.27 | 2,169 | 2,401 | 4,403 | - | 1,565 |
| 7 | 156,500 | 109,550 | 10,538 6.73 | 36,412 23.27 | 2,169 | 2,401 | 4,403 | - | 1,565 |
| 8 | 156,500 | 109,550 | 10,538 6.73 | 36,412 23.27 | 2,169 | 2,401 | 4,403 | - | 1,565 |
| 9 | 156,500 | 109,550 | 10,538 6.73 | 36,412 23.27 | 2,169 | 2,401 | 4,403 | - | 1,565 |
| 10 | 156,500 | 109,550 | 10,538 6.73 | 36,412 23.27 | 2,169 | 2,401 | 4,403 | - | 1,565 |
| 10 Yr. Avg. | 156,500 | 109,550 | 11,394 7.28 | 35,556 22.72 | 2,169 | 2,418 | 4,403 | 682 | 1,722 |

Plan II

NAME G.E.H.A. HOSPITAL INDEMNITYRETENTION EXHIBIT

| | | | | | | | |
|--------|--------------------|------------------|----------|-------|-----------------|----------------------------|--------------|
| Health | Net Annual Premium | Incurred Claims | EE Lives | 2,000 | Administration: | | Commissions: |
| Total | <u>\$313,000</u> | <u>\$219,100</u> | | | IBM Cards | <u>Self-Administration</u> | 10 Yr. Level |
| | | <u>\$219,100</u> | | | Initial Certs | <u>Self-Administration</u> | |
| | | | | | Renewal Certs | <u>Self-Administration</u> | |
| | | | | | Benefits | <u>Self-Administration</u> | |

| Year | Net Annual Premium | Incurred Claims | Retention | Refund | Agent Commissions | Taxes | Administrative Expense | Amortization of Acquisition | Risk Charge |
|-------------|--------------------|-----------------|----------------|-----------------|-------------------|---------|------------------------|-----------------------------|-------------|
| 1 | \$313,000 | \$219,100 | \$18,998 6.07% | \$74,902 23.93% | \$2,755 | \$4,760 | \$5,879 | \$1,692 | \$3,912 |
| 2 | 313,000 | 219,100 | 18,998 6.07 | 74,902 23.93 | 2,755 | 4,760 | 5,879 | 1,692 | 3,912 |
| 3 | 313,000 | 219,100 | 18,200 5.81 | 75,700 24.19 | 2,755 | 4,744 | 5,879 | 1,692 | 3,130 |
| 4 | 313,000 | 219,100 | 18,200 5.81 | 75,700 24.19 | 2,755 | 4,744 | 5,879 | 1,692 | 3,130 |
| 5 | 313,000 | 219,100 | 18,200 5.81 | 75,700 24.19 | 2,755 | 4,744 | 5,879 | 1,692 | 3,130 |
| 6 | 313,000 | 219,100 | 16,474 5.26 | 77,426 24.74 | 2,755 | 4,710 | 5,879 | - | 3,130 |
| 7 | 313,000 | 219,100 | 16,474 5.26 | 77,426 24.74 | 2,755 | 4,710 | 5,879 | - | 3,130 |
| 8 | 313,000 | 219,100 | 16,474 5.26 | 77,426 24.74 | 2,755 | 4,710 | 5,879 | - | 3,130 |
| 9 | 313,000 | 219,100 | 16,474 5.26 | 77,426 24.74 | 2,755 | 4,710 | 5,879 | - | 3,130 |
| 10 | 313,000 | 219,100 | 16,474 5.26 | 77,426 24.74 | 2,755 | 4,710 | 5,879 | - | 3,130 |
| 10 Yr. Avg. | 313,000 | 219,100 | 17,497 5.59 | 76,403 24.41 | 2,755 | 4,731 | 5,879 | 846 | 3,286 |

NAME G.E.H.A. HOSPITAL INDEMNITYRETENTION EXHIBIT

| | Net Annual Premiums | Incurred Claims | EE Lives | 3,000 | Administration: IBM Cards Initial Certs Renewal Certs Benefits | Self-Administration Self-Administration Self-Administration Self-Administration | Commissions: 10 Yr. Level | | | | |
|--------|------------------------|--------------------|----------|-------|--|--|------------------------------|--|--|--|--|
| Health | \$469,500 | \$328,650 | | | | | | | | | |
| Total | \$469,500 | \$328,650 | | | | | | | | | |

| Year | Net Annual Premiums | Incurred Claims | Retention | Refund | Agent Commission | Taxes | Administrative Expense | Amortization of Acquisition | Risk Charge |
|----------------|------------------------|--------------------|----------------|------------------|---------------------|---------|---------------------------|-----------------------------------|----------------|
| 1 | \$469,500 | \$328,650 | \$24,073 5.13% | \$116,777 24.87% | \$2,935 | \$7,052 | \$6,525 | \$1,692 | \$5,869 |
| 2 | 469,500 | 328,650 | 24,073 5.13 | 116,777 24.87 | 2,935 | 7,052 | 6,525 | 1,692 | 5,869 |
| 3 | 469,500 | 328,650 | 22,875 4.87 | 117,975 25.13 | 2,935 | 7,028 | 6,525 | 1,692 | 4,695 |
| 4 | 469,500 | 328,650 | 22,875 4.87 | 117,975 25.13 | 2,935 | 7,028 | 6,525 | 1,692 | 4,695 |
| 5 | 469,500 | 328,650 | 22,875 4.87 | 117,975 25.13 | 2,935 | 7,028 | 6,525 | 1,692 | 4,695 |
| 6 | 469,500 | 328,650 | 21,148 4.50 | 119,702 25.50 | 2,935 | 6,993 | 6,525 | - | 4,695 |
| 7 | 469,500 | 328,650 | 21,148 4.50 | 119,702 25.50 | 2,935 | 6,993 | 6,525 | - | 4,695 |
| 8 | 469,500 | 328,650 | 21,148 4.50 | 119,702 25.50 | 2,935 | 6,993 | 6,525 | - | 4,695 |
| 9 | 469,500 | 328,650 | 21,148 4.50 | 119,702 25.50 | 2,935 | 6,993 | 6,525 | - | 4,695 |
| 10 | 469,500 | 328,650 | 21,148 4.50 | 119,702 25.50 | 2,935 | 6,993 | 6,525 | - | 4,695 |
| 10 Yr. Avg. | 469,500 | 328,650 | 22,251 4.74 | 118,599 25.26 | 2,935 | 7,015 | 6,525 | 846 | 4,930 |